

ACTION WHA-00

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RELEASED IN PART
B1, 1.4(D)

E70

INFO	LOG-00	NP-00	AGRE-00	AID-00	AMAD-00	CIAE-00	CTME-00
	INL-00	DIM-00	DINT-00	DOT-00	ANHR-00	PERC-00	DS-00
	EB-00	EUR-00	EXIM-01	E-00	FAAE-00	VC-00	FRB-00
	H-00	TEDE-00	INR-00	IO-00	ITC-01	LAB-01	VCE-00
	AC-00	DCP-00	NSAE-00	OIG-00	OMB-00	NIMA-00	OPIC-01
	ACE-00	FMPC-00	SP-00	IRM-00	SSO-00	SS-00	STR-00
	BBG-00	IIP-00	DSCC-00	PRM-00	DRL-00	G-00	NFAT-00
	SAS-00	/004W					

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FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC PRIORITY 6531

INFO WESTERN HEMISPHERIC AFFAIRS DIPL POSTS PRIORITY

DEPT OF JUSTICE WASHDC PRIORITY

DEPT OF LABOR WASHDC PRIORITY

DEPT OF TREASURY WASHDC PRIORITY

FBI WASHDC PRIORITY

NSC WASHDC PRIORITY

SECDEF WASHDC PRIORITY

USCINCSO MIAMI FL PRIORITY

USDA FAS WASHDC PRIORITY 1427

USDOC WASHDC PRIORITY

USEU BRUSSELS PRIORITY

USMISSION UNVIE VIENNA PRIORITY

WHITE HOUSE WASHDC PRIORITY

C O N F I D E N T I A L BUENOS AIRES 002119

STATE FOR WHA/BSC, WHA/EPSC, EB/IFD/OMA

NSC FOR TOM SHANNON, MIKE DEMPSEY

EX IM BANK FOR MICHELE WILKINS

TREASURY FOR OAS NANCY LEE AND CHRIS KUSHLIS AND

OCC FOR CARLOS HERNANDEZ

PASS FED BOARD OF GOVERNORS FOR PATRICE ROBITAILLE

USCINCSO FOR POLAD

PASS USTR FOR PETER ALLGEIER AND SUE CRONIN

USDOC FOR ALEXANDER PEACHER

USDOL FOR ILAB PAULA CHURCH

OPIC FOR GEORGE SCHULTZ AND RUTH ANN NICASTRI

E.O. 12958: DECL: 07/23/2014

TAGS: PREL, PGOV, ECON, EFIN, AR, HA

SUBJECT: ARGENTINA POLITICAL WEEKLY: JULY 23

REF: A. BUENOS AIRES 2034

B. BUENOS AIRES 1753

C. BUENOS AIRES 2021

UNITED STATES DEPARTMENT OF STATE
REVIEW AUTHORITY: OSCAR J OLSON
DATE/CASE ID: 14 JAN 2009 200705645

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D. BUENOS AIRES 2109

Classified By: AMBASSADOR LINO GUTIERREZ. FOR REASONS 1.4 (B) AND (D).

1. (C) TABLE OF CONTENTS

- AMIA Tenth Anniversary
- Piquetero Violence and Aftermath
- Kirchner to Bolivia and Venezuela
- CGT Union Update
- Chinese President Sets Date For Visit
- C-130's Off To Haiti

AMIA TENTH ANNIVERSARY

2. (U) On the morning of July 18, more than 10,000 people congregated at the site of the July 18, 1994 AMIA terrorist bombing, in the Buenos Aires neighborhood of Once, to remember and pay homage to the eighty-five lives lost and the three hundred people injured in the decade-old attack. President Kirchner, his wife, Senator Cristina Fernandez, Buenos Aires City Mayor, Anibel Ibarra, Buenos Aires Province Governor, Felipe Sola, Foreign Minister Bielsa, and several other Cabinet members attended the event. The event was also attended by various visiting foreign delegations, including representatives of the American Jewish Committee (AJC), along with foreign ambassadors, including Ambassador Gutierrez and those of the UK and Israel. The moving ceremony began with sirens at the exact time of the bombing. A victim's sister spoke for the Families and Friends of AMIA, attacking former President Carlos Menem and many of his former ministers, as well as the ineffective Argentine judicial and intelligence systems, for their responsibility for the fact that the crime is still unresolved. AMIA President, Doctor Abraham Kaul, directly accused Iran and its former Ambassador of involvement in the terrorist attack. He also thanked President Kirchner for his efforts, which he referred to as "a light of hope" in bringing justice to the victims and their families. That same afternoon, leaders of major Jewish organizations attended a screening of 18-J (October 2004 release), a new Argentine film featuring ten different vignettes and perspectives of the AMIA bombing. At a second screening that evening, political leaders, filmmakers, actors, and families of victims filled the two level theater beyond capacity. The audience's overwhelmingly emotional response to the film suggests that a great deal of continued grief and frustration still surrounds the AMIA bombing.

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3. (U) On July 19, after a meeting with Kirchner, AMIA President Kaul announced that the President had informed members of his organization that the GOA had discovered forty-six of sixty-six lost tapes containing recorded telephone calls made by AMIA suspects in the days preceding the terrorist bombing. The tapes were supposedly found in police archives after having been missing for over ten years. On July 20, Presidential Chief of Staff Alberto Fernandez announced that it was not the tapes that were found, but rather the receipts that showed that they had been checked out. He referred to Kaul's announcement as an "error of interpretation." AMIA has avoided any further comments on the confusion over the tapes, but the Argentine Jewish community is upset that the government waited a full day to deny Kaul's announcement. In addition, representatives of the AJC confirmed publicly that Kirchner spoke of the discovery of the tapes at their July 19 meeting and that the

receipts were not mentioned. Federal Judge Claudio Bonadio called on Kaul to testify on July 23 regarding the issue. The judge requested a list of the 34 people who attended the meeting, noting that they may also be called to testify. The AMIA trial verdict on those being tried as accomplices in AMIA attack is expected sometime in August.

 PIQUETERO VIOLENCE AND AFTERMATH

4. (U) On July 16, a group of extremist piqueteros, along with a mix of other protesters, including prostitutes, transvestites and street vendors, took over and vandalized the city legislature building for more than five hours until the Federal Police were finally sent in to restore order; the protest caused upwards of \$100,000 pesos in damage to the building. After several hours of protest during which time the police stood by passively, the police were finally sent in to disperse the already thinning crowd. They also arrested nineteen individuals. Of those arrested, seventeen have been indicted and will reportedly remain in custody pending prosecution. The group was protesting the proposed amendments to the city's misdemeanor code, consideration of which has since been put on hold until August 4.

5. (U) The violence has caused a widening rift between the Federal and local governments over the handling of the piquetero issue, with the Buenos Aires Provincial Security Minister, Leon Arslanian, publicly declaring that it is the "obligation of the State (to) set limits (on protests)."

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Buenos Aires Mayor Ibarra also criticized strongly the police inaction that allowed the protests to get out of hand. For its part, the GOA maintained that the protests were orchestrated by elements trying to destabilize the government and stuck to its policy of severely restricting police response to piquetero protests.

6. (U) Even though the city government announced the postponement of the debate of the contentious legislation, protesters launched a second protest on July 22 against the legislation and demanded the release of the seventeen arrested individuals. The piqueteros protested without incident under the watchful eyes of a large police contingent reportedly numbering 800 officers. The large police deployment signals a change in the GOA's non-confrontational policy toward the piqueteros. Thus far, the only casualty of the July 22 protest, and stronger than usual police response, appears to be the Federal Police Chief Eduardo Prados, who reportedly was fired personally by Kirchner on the evening of July 22. It has been widely reported that Prados was fired for strongly disagreeing with Kirchner's decision not to permit police responding to piquetero protests to carry firearms. Another potential casualty of the current conflict is reportedly Security Secretary Norberto Quantin, who is widely rumored to be on his way out. Several GOA officials have declined to comment on the status of Quantin, and Justice Minister Gustavo Beliz would only go so far as to say "he is a good man and he continues at his job."

7. (C) In a July 22 meeting with POLCOUNS, [] confirmed that the GOA policy on piqueteros had finally changed somewhat, as reflected by the huge police deployment for the piquetero protest the same day. [] explained that the decision to deploy large numbers of police was meant to dissuade piqueteros from using the violent methods that they did on July 16. He explained that the GOA has little confidence in the ability of the Federal Police (and even less the Buenos Aires Provincial Police) to intervene actively in public protests without

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having such intervention end in violence and deaths. He admitted that some of the extremist piquetero groups are actively seeking to provoke violence that they would use to further destabilize an already unstable situation. He argued that the media is playing a very irresponsible role in reporting on piquetero violence and in encouraging it through its minute-by-minute coverage when trouble breaks out on the streets. [] argued that the fact that there have only been several violent clashes in the past three months shows

B1

UNCLASSIFIED

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that the GOA's policy is having positive results. He said that even one piquetero death will have a very destabilizing impact on the already tense situation.

8. (C) Recent polls show that Kirchner's approval rating is beginning to fall, in part due to the perception of how the GOA is unwilling to impose order on the piquetero situation. Kirchner's approval rating in the most recent IPSOS poll has fallen to sixty-three percent, down ten percent from last month. More importantly, sixty-eight percent of those polled want the government to ensure law and order, while only twenty-four percent support a passive attitude. Only twenty percent believe the piqueteros are truly the representatives of the unemployed and seventy-one percent consider them militant groups with specific political agendas. (COMMENT: The piquetero issue continues to be a nagging and potentially explosive one for the Kirchner government. As piquetero groups continue to grow more aggressive and transition from blocking roads to occupation of public and private buildings, the ability of the government to stick to its avowed policy of "non-repression" is increasingly in doubt. The passive policy has thus far succeeded in ensuring that no piqueteros have become martyrs of police action, and thus add further fuel to the protest movements. The question remains how strongly the public will push for a change in the Government's non-confrontational stance. The July 17 violence appears to have served as a watershed in this respect, and the GOA's apparent shift in policy is very likely a direct reaction to this. It is unclear what impact the removal of Federal Police Chief Prados and the decision to send police into potentially dangerous situations without firearms will have on police morale or public opinion. END COMMENT).

KIRCHNER TO BOLIVIA AND VENEZUELA

9. (U) President Kirchner stopped briefly in La Paz on July 22 to hold a long-delayed summit meeting with President Mesa. Kirchner used the opportunity to voice his strong support for the Bolivian president and for the July 18 energy referendum result that had bolstered the strength of Mesa. The two presidents also signed an agreement to expand the export of Bolivian gas to Argentina. From La Paz, Kirchner flew on to Isla Margarita in Venezuela to join a bilateral meeting of Argentine and Venezuelan business leaders (see reftel C). While in Venezuela, Kirchner is expected to meet both with President Chavez and the opposition that is facing off with Chavez in the August 15 referendum (see reftel D).

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CGT UNION UPDATE

10. (U) The new provisional CGT directorate (comprised of Hugo Moyano, Susana Rueda and Jos Luis Lingeri) met with President Kirchner on July 20th to discuss the needs of their labor constituency and to present Kirchner with a list of demands including: implementation of the 50 peso increase to the federal minimum wage (wage increase established by

executive decree in January 2004), improved health plans, improved benefits for the retired, reducing the informal economy to provide all workers with union protection, credits for small and medium sized businesses and review of existent labor legislation. Moyano was optimistic that the president would review the list of demands and soon amend the current minimum wage despite immediate objections from Ministers Roberto Lavagna (Economy), Carlos Tomada (Labor), and Cabinet Chief Alberto Fernandez. Interior Minister Anibal Fernandez and thirty members of the CGT board of directors were also present at the meeting. Labor leader Luis Barrionuevo, a strong opponent of President Kirchner, did not attend to avoid adding more dissension to an already tense meeting.

11. (U) The CGT, with President Kirchner in attendance, will be holding a special meeting on July 26th to mark the anniversary of the death of Evita Peron. The event is made even more significant as new Secretary General Susana Rueda will be the first female CGT leader to preside over such a meeting. Moyano and the CGT have also initiated dialogues with other labor interests. The public labor organization, Frente de Gremios Estatales, has asked for assistance in convening a joint committee to debate the rights of public employees. Additionally, Moyano announced his plan to meet with a few unnamed piquetero leaders on July 22nd; the content of the meeting is currently unknown but Moyano has publicly denounced the unproductive violence of the movement.

(COMMENT: As evinced by recent meetings with national leaders, the newly unified CGT is trying to exercise increased political power in Argentina and serve as an alternative forum for the unemployed currently represented best by the piquetero movement. Regarding the minimum wage increase, President Kirchner will be challenged to reconcile the demands of the CGT with those of his Ministers, a possible complication to his present amiable relationship with the labor federation. END COMMENT).

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CHINESE PRESIDENT SETS DATES FOR VISIT

12. (U) Chinese President Hu Jintao has announced a reciprocal visit to Argentina for November 16-18, following up the late June visit to China by President Kirchner (reftel A). The dates for the trip were announced in Venezuela by Trade Secretary Martin Redrado. Redrado stated "We will give continuity to our trade relationship with China." He also added "(China) needs Argentina because it has to feed 1.3 billion people." Since Kirchner's trip to China, Argentina has been focusing on expanding trade and access to the Chinese agrarian markets.

C-130'S OFF TO HAITI

13. (U) Two Argentine Hercules C-130 air force planes departed for Haiti on July 22, carrying the first tranche of the six hundred plus Argentine MINUSTAH PKO forces. The planes carry an all-terrain vehicle, nine thousand liters of drinking water, communication equipment, beds, portable toilets, tables, and chairs (reftel B). A transport ship departed last week with much of the equipment and supplies for the Argentine PKO contingent. The airlift support of the remaining personnel and equipment will continue through August 8.
GUTIERREZ

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